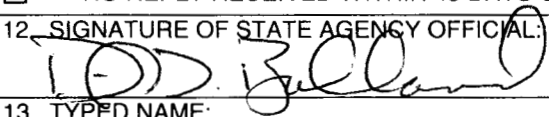
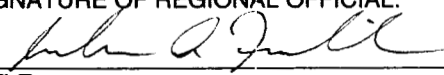


TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE AND MEDICAID SERVICES		1. TRANSMITTAL NUMBER: 04-30	2. STATE: TEXAS
TO: REGIONAL ADMINISTRATOR CENTERS FOR MEDICARE AND MEDICAID SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES		3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
5. TYPE OF PLAN MATERIAL (Circle One): <input type="checkbox"/> NEW STATE PLAN <input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS NEW PLAN <input checked="" type="checkbox"/> AMENDMENT		4. PROPOSED EFFECTIVE DATE: October 1, 2004	
COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)			
6. FEDERAL STATUTE/REGULATION CITATION: 20 C.F.R. §416.1201		7. FEDERAL BUDGET IMPACT: See attachment a. FFY 05 \$0.00 b. FFY 06 \$0.00	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: SEE ATTACHMENT		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): SEE ATTACHMENT	
10. SUBJECT OF AMENDMENT: The amendment incorporates the requirement that if an annuity can be sold, and does not meet an exception, it is a countable resource.			
11. GOVERNOR'S REVIEW (Check One): <input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input checked="" type="checkbox"/> OTHER, AS SPECIFIED: <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED Sent to Governor's Office this date. Comments, if any, will be <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL forwarded upon receipt.			
12. SIGNATURE OF STATE AGENCY OFFICIAL: 		16. RETURN TO: David Balland State Medicaid Director Post Office Box 85200 Austin, Texas 78708-5200	
13. TYPED NAME: David Balland			
14. TITLE: State Medicaid Director			
15. DATE SUBMITTED: 12/21/04			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED: 27 DECEMBER 2004		18. DATE APPROVED: 8 MARCH 2005	
PLAN APPROVED - ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL: 1 OCTOBER 2004		20. SIGNATURE OF REGIONAL OFFICIAL: 	
21. TYPED NAME: ANDREW A. FREDRICKSON		22. TITLE: ASSOCIATE REGIONAL ADMINISTRATOR DIV OF MEDICAID & CHILDREN'S HEALTH	
23. REMARKS:			

Revision: HCFA-PM-91-4 (BPD)
August 1991

SUPPLEMENT 8b TO ATTACHMENT 2.6-A
Page 1
OMB No.: 0938-

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: Texas

MORE LIBERAL METHODS OF TREATING RESOURCES
UNDER SECTION 1902(r)(2) OF THE ACT

 Section 1902(f) State XXX Non-Section 1902(f) State

The more liberal resource policy cited below applies to the following groups of individuals specified in the Social Security Act:

1. 1902(a)(10)(A)(ii)(IV) – individuals who would be eligible for SSI if not in an institution.
2. 1902(a)(10)(A)(ii)(V) – individuals in institutions who are eligible under a special income limit (300% of SSI federal benefit rate).

For client in the above listed groups, the value of home property, including life estates and remainder interest, is exempt if the client places the property for sale. The exemption continues until the proceeds of the sale are available to the client.

A revocable annuity is a countable resource.

An irrevocable annuity is a countable resource unless it meets the following four requirements:

1. issued by a Texas licensed insurance company;
2. the State of Texas is the residual beneficiary (does not apply to annuities purchased by or for a community spouse);
3. the payout is equal monthly principal installments, and the interest portion increases at least annually; and
4. repays the principal investment, plus interest within the annuitant's life expectancy (actuarially sound).

When the irrevocable annuity meets the above four criteria:

1. it is not counted as a resource; and
2. payments are counted as unearned income.

94-09

STATE	<u>Texas</u>
DATE RECEIVED	<u>12-27-04</u>
DATE APPROVED	<u>3-8-05</u>
DATE EFFECTIVE	<u>10-1-04</u>
HCFA 179	<u>04-30</u>

TN No. 04-30

Supersedes

TN No. 94-09

Approval Date 3-8-05

Effective Date 10-1-04

HCFA ID: 7985E

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: Texas

4. Other procedures:

AFDC-related coverage groups

In applicants transferred a countable resource within the last five years for less than the resource's fair market value to qualify for assistance, or to increase their AFDC grant, the length of denial is equal to the time the applicant's needs would have been met by the resource.

Aged, Blind, Disabled

Categorically Needy

The only exceptions allowed are when the individual can provide evidence that the property was transferred exclusively for some purpose other than to become eligible for Medicaid, or undue hardship is found to exist.

- iii. When an irrevocable annuity does not pay out the principal plus interest within the annuitant's life expectancy, the annuity is considered a transfer of asset.

93-43

STATE	<u>Texas</u>
DATE REC'D	<u>12-27-04</u>
DATE APPL'D	<u>3-8-05</u>
DATE EFF.	<u>10-1-04</u>
HQIA 175	<u>04-30</u>

TN No. 04-30

Supersedes

TN No. 93-43

Approval Date 3-8-05

Effective Date 10-1-04